

The jobs you select throughout your career can have a major impact on your future financial security. From the time you start working, you should try to work in jobs that offer solid retirement plans and other financial benefits to ensure that your retirement will be free of financial worries.

If you have a job now, review the benefits you are receiving or will qualify for in the future. If you're thinking about changing jobs, compare your current benefits to those offered by a new employer. If retirement is close on the horizon, it's especially important to know exactly what financial benefits you'll have, and when, in order to choose the best date to stop working.

Ideally you should choose jobs that suit your skills, work style and personality best. But you also owe it to yourself and to your family to choose jobs that will make a strong contribution to your future, especially when you retire.

Whether you're thinking about your current job or considering alternatives, consider these key issues:

Salary: Are you earning enough to save for retirement? If you've postponed saving for retirement or not saved enough, you need to do one or both of these things: find a better way to manage your money so it goes further, and consider looking for a job that pays better.

Retirement plan or pension: Does the employer offer a 401(k), cash balance plan, traditional pension or any other type of retirement plan? If there's a 401(k) or similar plan that allows you to invest in mutual funds, stocks, bonds, etc., ask these questions:

- How long does it take to be vested, which is when you can start saving money in the plan?
- Does the employer match some of the employee contributions?

- If so, how much is the match? A common example is 100 percent of your own 401(k) contribution, up to 6 percent of your salary.

Fewer and fewer employers offer traditional pension plans, which provide a regular retirement payment, usually monthly. But if you do have a pension or would receive one in a job you're considering, ask:

- How long does it take to be vested?
- When will I be eligible to receive benefits?
- When will I be eligible to receive the maximum possible benefit?
- How much will the benefit be?

Check Up on Your Pension Prospects

In the last few years, numerous companies—including some of the best-known, largest corporations—have closed their pension plans or reduced benefits. Here's what you can do to check on whether your current or potential pension plan is in good shape:

- If the company is public, research its overall financial condition at the "investor information" section of its website, including reports it's required to submit to the Securities and Exchange Commission;
- Stay alert to danger signs such as downsizing and benefit cuts; and
- Starting in 2008, read the company's "annual plan funding notice," which will tell you whether the plan has enough money to pay all the pensions it will owe.

Health insurance: In recent years employers have been cutting back on health insurance coverage, especially for retirees. Unfortunately, even if your current job offers good coverage, there is no guarantee that it will be offered in the future. The law does not require employers to offer health insurance, and even your current coverage can be changed or discontinued. All an employer must do is notify you of the changes. Ask your current or potential employer these key questions about health insurance:

- Do you offer coverage for employees and their families?
- What type of plan is offered?
- What benefits does it offer?
- How much of the premium does an employee have to pay?
- What other costs, such as deductibles and co-payments, does an employee have to pay?
- Do retired employees receive any health insurance coverage? If so, what is it and what will it cost?
- Do you offer long-term care or disability insurance to employees?

Other financial benefits: Some employers may offer stock options, pay bonuses, college or continuing education tuition, help with costs of caregiving, or other financial benefits. Make sure you know about all of these possible options so you can take advantage of them.

Flexible work options: For financial or other reasons, many Americans are working past what used to be considered the typical retirement ages of 62 or 65. Often they prefer to work part-time or on a flexible schedule, such as three days a week. If this type of job is attractive to you, be sure to ask about:

- Phased retirement, which means working for the same employer in a different position or with a less demanding schedule;
- Retirement age: does the employer require you to retire at a certain age?;
- Part-time employment opportunities, and benefits, such as a 401(k) match, for part-time employees or employees who share jobs; and
- Health, pension and other benefits for part-time employees.

Your To-Do List:

- Learn about AARP's "Best Employers for Workers Over 50"** program, and search for a job with one of these employers at the AARP website, www.aarp.org/bestemployers.
- Join a community** of experience at The Water Cooler. You'll seek and share advice about finding a job, starting a new career, returning to work after retiring, and more. www.aarp.org/community/groups/TheWaterCooler.
- Read U.S. Department of Labor information** on how to avoid common mistakes in pension plans, and how to make sure your

pension is safe, www.dol.gov/ebsa/Publications/10common.html.

- Find out what health insurance plan** information an employer is required to give you, at this Labor Department website, www.dol.gov/ebsa/newsroom/fserisa.html.
- To assure you fully understand** how your benefits work, read AARP's Money Matters Tip Sheets on pensions and 401(k)s.
- For salary information** on a wide range of jobs, go to www.jobstar.org/tools/salary/sal-prof.php and click on the field—such as retail or health care—where you're working now or want to work.

This and other tip sheets provide general financial information; it is not meant to substitute for, or to supersede, professional or legal advice.

© AARP 2010.